Government of
Saskatchewan

Annual Report
1988-89

Saskatchewan
Public Employees
Superannuation Plan

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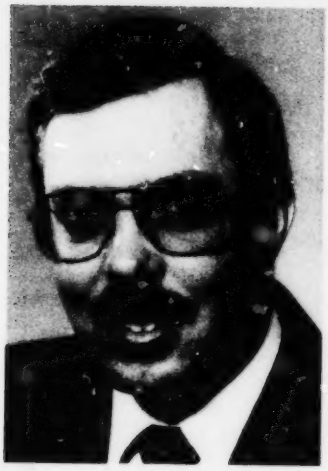

The Honourable Sylvia Fedoruk
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour to transmit herewith the twelfth Annual Report of the Public Employees (Government Contributory) Superannuation Plan for the fiscal year ended March 31, 1989.

I have the honour to be, Madam.

Your Obedient Servant

Lorne Hepworth
Minister in Charge
Public Employees Superannuation Plan

The Honourable Lorne Hepworth
Minister in Charge
Public Employees Superannuation Plan
Regina, Saskatchewan

Sir:

On behalf of the Supervisory Board of the Public Employees Superannuation Plan, I have the honour to present herewith the twelfth Annual Report of the Public Employees (Government Contributory) Superannuation Plan for the fiscal year ended March 31, 1989.

Respectfully submitted,

Supervisory Board
Public Employees Superannuation Plan

Brian Smith

Brian Smith
Chairman

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Introduction

The Public Employees (Government Contributory) Superannuation Plan is established by section 38 of The Superannuation (Supplementary Provisions) Act.

The plan was established for permanent employees hired on or after October 1, 1977, by the Government of Saskatchewan and other participating public sector employers. As well, employees covered by The Public Service Superannuation Act, The Saskatchewan Power Superannuation Act, The Saskatchewan Telecommunications Superannuation Act, The Liquor Board Superannuation Act, and The Workmen's Compensation Board Superannuation Act were given the opportunity to transfer to the Public Employees Superannuation Plan prior to October 1, 1978.

Non-permanent employees of participating employers were given the option to join the pension plan in 1982.

Operation of the Plan

Members of the plan contribute 5% of their salary to the Public Employees Superannuation Fund. The members' employer contributes a matching amount.

The assets of the pension fund are invested and all earnings are credited to the members' accounts. The accumulated contributions together with interest form the basis of the members' retirement benefit.

Investment earnings are distributed to the members' accounts at March 31 of each year, with proportionate interest being credited on termination refunds or other benefits paid out during the year.

If a member joined the plan prior to August 1, 1982, member contributions are locked-in and the employer share vested with the member after three years of participation in the plan. If the member joined the plan on or after August 1, 1982, member contributions are locked-in and the employer share becomes vested at age 25 if the member has one year of service or more, and at the completion of one year of service if the member is over age 25.

Locked-in means that if the member terminates employment the member cannot receive a cash refund of the member contributions. Those contributions must be paid to the member in the form of an annuity. Vested means that the employer contributions made on behalf of the member also must be used to provide the member with an annuity. The employer does not receive a refund of those contributions if the member terminates employment. The earliest that a terminated member who is locked-in and vested may receive an annuity is at age 55 years.

Until they are eligible for an annuity terminated members who are locked-in and vested may leave the money in the plan or may transfer their account to a locked-in Registered Retirement Savings Plan (RRSP).

Terminated members who are not locked-in and vested may request a cash refund of employee contributions together with interest. If member contributions are refunded, employer contributions also are refunded to the employer.

The normal age of retirement is age 65 years. However, members may retire and start to receive an annuity as early as age 55 years with one year of pensionable service. As well, members may retire at any time after 35 years participation in the plan. Members must commence receiving an annuity prior to their 71st birthday.

Members use employee and employer contributions plus interest to purchase an annuity. Under the terms of an annuity, members are paid a fixed sum of money on a regular basis, usually monthly, for life. Annuities may be purchased from an insurance company or from the Public Employees Annuity Fund.

Married members must purchase a joint life annuity in which case the annuity is guaranteed for the life of the member and the member's spouse. Single members may elect a single life annuity or may choose a 15 year guarantee period. All members are guaranteed that if they die before their total periodic annuity payments equal at least their account balance at retirement, the difference is paid to their beneficiary or estate.

Men and women retiring under the same circumstances receive the same pension as unisex mortality tables are used in the calculation of the annuity.

If the member dies prior to purchasing an annuity, the member's spouse may elect to purchase an annuity with the member's account balance. Alternatively, the spouse may elect to receive a lump sum payment, transfer the funds to an RRSP, or leave the money in an account with the plan. All other beneficiaries are required to receive a lump sum payment of the account balance.

If the member dies after they have purchased an annuity, the benefit payable to the spouse, beneficiary, or estate is dependent on the type of annuity purchased.

Membership Status

Membership at March 31, 1988		18,512
Add:		
Enrollments during the year	2,220	
Reciprocal transfers in	29	2,249
Less:		
Terminations refunded	447	
Death benefits paid	20	
Reciprocal transfers out	59	
Retirement annuities	94	
Transfers to locked-in RRSP's	168	788
Membership at March 31, 1989		19,973

Administration

For the fiscal year 1988-89, the Supervisory Board engaged the services of the Investment Corporation of Saskatchewan to invest the assets of the plan in accordance with the policy and objectives established by the Supervisory Board.

The Public Employees Benefits Agency provides the day-to-day administration of the pension plan. The annual operating expenditures associated with the fund's administration are paid to the Public Employees Benefits Agency Revolving Fund.

In accordance with section 39 of The Superannuation (Supplementary Provisions) Act, the plan is administered by a seven member Supervisory Board representing employees and employers.

The Supervisory Board extends its appreciation to the staff of the Public Employees Benefits Agency and to those persons within government departments, agencies and crown corporations whose co-operation and assistance during the year contributed to the continued successful operation of the plan.

Chairman
Brian Smith

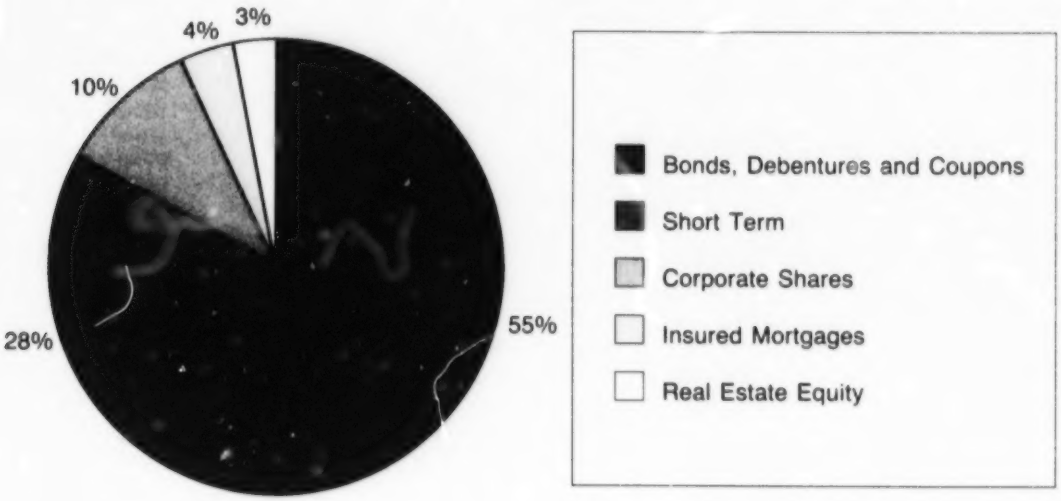
Representing Employers
Gerry Kraus (Finance)
Nancy Croll (Health)
Fred Yeo (SaskTel)

Representing Employees
Ray Bidwell (C.E.W.C.)
Kirby Sanden (I.B.E.W.)
Dan MacKay (S.G.E.U.)

Investments

In 1988-89, the assets of the Public Employees Superannuation Fund were invested by the Investment Corporation of Saskatchewan. The investment portfolio at March 31, 1989 contained the following assets:

Investments by Type



Public Employees Superannuation Plan Investments

Corporate Bonds	$119,946,543	
Government of Saskatchewan Bonds	35,611,897	
Government of Canada Bonds	46,582,187	
Other Provincial Bonds	64,799,276	
Municipal Bonds	9,540,206	
Total Bonds and Coupons		$276,480,109
Short Term		137,699,419
Stocks		48,201,832
Mortgages		19,237,684
Real Estate		15,105,574
Total Investments		$496,724,618

Public Employees (Government Contributory) Superannuation Fund

Schedule of Investment Transactions
Year Ended March 31, 1989

Bonds, Debentures and Coupons Purchased	Maturity Date	Interest Rate %	Cost	% Yield	Par Value
Gov't of Canada	July 1/1991	8.50	$ 969,000.00	9.743	$ 1,000,000.00
Gov't of Canada	Sept. 1/1991	9.00	981,600.00	9.70	1,000,000.00
Gov't of Canada	Mar. 1/2011	9.00	1,820,000.00	10.02	2,000,000.00
Gov't of Canada	May 1/2002	10.00	4,906,250.00	10.25	5,000,000.00
Gov't of Canada	May 1/2002	10.00	1,458,750.00	10.38	1,500,000.00
Gov't of Canada	May 1/2002	10.00	4,912,000.00	10.24	5,000,000.00
Gov't of Canada	May 1/2002	10.00	1,969,000.00	10.212	2,000,000.00
Gov't of Canada	May 1/2002	10.00	1,956,000.00	10.304	2,000,000.00
Gov't of Canada	Oct. 1/2009	10.75	1,995,000.00	10.78	2,000,000.00
Gov't of Canada	Dec. 15/2002	11.25	2,147,500.00	10.24	2,000,000.00
Gov't of Canada	Dec. 15/1993	11.50	1,642,225.00	10.009	1,550,000.00
Gov't of Canada	Feb. 1/2003	11.75	2,192,600.00	10.45	2,000,000.00
Gov't of Canada	Feb. 1/2003	11.75	1,565,718.75	10.40	1,425,000.00
Province of Sask.	Mar. 2/1995	9.625	476,500.00	10.64	500,000.00
Province of Sask.	May 1/1998	10.25	1,022,500.00	9.89	1,000,000.00
Ontario Hydro	Apr. 22/1996	9.00	467,980.00	10.249	500,000.00
Ontario Hydro	Jan. 6/2004	9.25	1,368,450.00		1,500,000.00
Ontario Hydro	Jan. 6/2004	9.25	1,918,944.00	10.769	2,160,000.00
Ontario Hydro	Jan. 6/2004	9.25	1,651,125.00	10.708	1,850,000.00
Ontario Hydro	Jan. 25/2005	9.375	901,600.00	10.67	1,000,000.00
Ontario Hydro	Feb. 10/1998	10.00	2,923,500.00	10.42	3,000,000.00
Ontario Hydro	Apr. 4/2009	10.25	939,000.00	11.00	1,000,000.00
Ontario Hydro	Apr. 4/2009	10.25	948,750.00	10.88	1,000,000.00
Ontario Hydro	Apr. 4/2009	10.25	1,911,200.00	10.79	2,000,000.00
Ontario Hydro	Dec. 16/1993	10.25	1,918,000.00	11.39	2,000,000.00
Ontario Hydro	June 16/1998	10.375	1,000,000.00	10.375	1,000,000.00
Ontario Hydro	Jan. 15/2010	10.50	2,509,375.00	10.45	2,500,000.00
Ontario Hydro	Jan. 15/2010	10.50	1,002,500.00	10.47	1,000,000.00
Quebec Hydro	July 16/2012	10.25	988,987.49	11.07	1,062,000.00
Quebec Hydro	Mar. 27/2004	10.75	980,700.00	11.01	1,000,000.00
Quebec Hydro	Mar. 27/2004	10.75	1,967,500.00	10.97	2,000,000.00
Prov. of Quebec	Apr. 1/2009	11.00	5,529,060.00	10.711	5,400,000.00
Bell	Oct. 15/2011	11.00	503,000.00	10.928	500,000.00
CIBC Mtge.	Feb. 22/1993	10.20	726,600.00	11.10	750,000.00
Consumer Packaging	May 1/2003	8.00	2,000,000.00	8.00	2,000,000.00
Great Lakes Inv.	Apr. 28/1996		153,243.00		153,243.00
Interhome Energy	Apr. 15/2008	10.80	1,507,840.00	10.90	1,520,000.00
John Labatt	Apr. 21/1998	10.375	3,000,000.00	10.375	3,000,000.00
National Bank Lease	Nov. 18/1991	10.00	1,090,540.00	10.30	1,100,000.00
National Bank	June 1/1998	10.875	1,015,000.00	10.62	1,000,000.00
Pacific Western Airlines	Dec. 30/1996	7.625	488,750.00	8.00	500,000.00
Pacific Western Airlines	Dec. 30/1996	7.625	220,000.00	9.70	250,000.00
Pacific Western Airlines	Dec. 30/1996	7.625	482,500.00	8.210	500,000.00
Repap Convertables	June 30/1998	9.00	1,000,000.00	9.00	1,000,000.00
Stelco Conv.	Aug. 31/1998	7.75	2,000,000.00	7.75	2,000,000.00
ADC-Terminal 3	Oct. 31/2008	12.10	2,000,000.00	12.10	2,000,000.00
			$75,128,788.24		$76,220,243.00

Schedule of Investment Transactions

Bonds, Debentures Sold	Maturity Date	Interest Rate %	Received	Initial Cost	Par Value
Gov't of Canada	Sept. 1/1991	9.00	$ 981,300.00	$ 981,600.00	$ 1,000,000.00
Gov't of Canada	June 1/2010	9.50	945,000.00	998,000.00	1,000,000.00
Gov't of Canada	June 1/2010	9.50	945,000.00	1,005,000.00	1,000,000.00
Gov't of Canada	Oct. 1/2009	10.75	1,558,125.00	1,496,250.00	1,500,000.00
Gov't of Canada	Feb. 1/1993	11.25	52,250.00	45,060.00	50,000.00
Gov't of Canada	Feb. 1/1993	11.25	1,045,000.00	926,600.00	1,000,000.00
Gov't of Canada	Feb. 1/1993	11.25	522,500.00	532,700.00	500,000.00
Gov't of Canada	Dec. 15/2002	11.25	1,061,250.00	996,250.00	1,000,000.00
Gov't of Canada	Dec. 15/2002	11.25	1,061,250.00	996,250.00	1,000,000.00
Gov't of Canada	Feb. 1/2003	11.75	2,222,000.00	2,192,600.00	2,000,000.00
Fed Business Dev Bank	Feb. 27/1989	10.375	2,000,000.00	2,025,000.00	2,000,000.00
CNR	Nov. 15/2004	13.00	117,000.00	117,000.00	117,000.00
Province of Sask.	Dec. 11/1996	9.00	1,000,000.00	979,300.00	1,000,000.00
Province of Sask.	Mar. 2/1995	9.625	485,625.00	476,500.00	500,000.00
Province of Sask.	May 1/1998	10.25	1,008,500.00	1,022,500.00	1,000,000.00
Province of Sask.	Mar. 30/2003	12.25	1,109,400.00	1,021,250.00	1,000,000.00
Province of Sask.	Mar. 30/2003	12.25	3,328,200.00	2,992,500.00	3,000,000.00
Province of Sask.	Mar. 30/2003	12.25	1,109,400.00	1,165,000.00	1,000,000.00
Ontario Hydro	May 10/2009	10.00	329,560.00	266,875.00	350,000.00
Ontario Hydro	May 10/2009	10.00	1,082,840.00	859,050.00	1,150,000.00
Ontario Hydro	May 10/2009	10.00	188,320.00	182,400.00	200,000.00
Ontario Hydro	Apr. 4/2009	10.25	555,593.75	380,650.00	575,000.00
Ontario Hydro	Apr. 4/2009	10.25	241,562.50	202,187.50	250,000.00
Ontario Hydro	Apr. 4/2009	10.25	479,843.75	372,150.00	500,000.00
Ontario Hydro	Apr. 4/2009	10.25	1,555,937.50	1,631,093.75	1,625,000.00
Ontario Hydro	Jan. 15/2010	10.50	488,750.00	481,875.00	500,000.00
Ontario Hydro	Jan. 15/2010	10.50	977,500.00	966,250.00	1,000,000.00
Ontario Hydro	Jan. 15/2010	10.50	488,750.00	501,875.00	500,000.00
Province of Quebec	Apr. 1/2009	11.00	1,509,375.00	1,498,500.00	1,500,000.00
Province of Quebec	Apr. 1/2009	11.00	503,250.00	492,500.00	500,000.00
Algoma Steel	May 15/1997	17.375	55,000.00	55,000.00	55,000.00
Bell Canada	July 15/2009	10.50	485,625.00	472,650.00	500,000.00
Bell Telephone	June 15/2007	10.875	982,500.00	990,000.00	1,000,000.00
Cambridge Lease	Mar. 31/2002	10.60	5,650.94	5,650.94	5,650.94
Consumer Gas	Nov. 30/1996	17.75	19,000.00	19,000.00	19,000.00
George Weston	June 15/2000	12.75	25,000.00	25,000.00	25,000.00
George Weston	Dec. 1/1997	14.125	25,000.00	25,000.00	25,000.00
ICG Utilities (Ont.) Ltd.	Nov. 14/2003	13.50	45,000.00	45,000.00	45,000.00
ICG Utilities (Ont.) Ltd.	Nov. 29/2002	14.00	21,000.00	21,000.00	21,000.00
Inland Natural Gas	Nov. 15/1996	18.25	27,000.00	27,000.00	27,000.00
Interprovincial Pipe/ Interhome Energy Inc.	July 15/1996	10.875	98,000.00	98,000.00	98,000.00
Interprovincial Pipe/ Interhome Energy Inc.	Apr. 1/2004	13.40	15,000.00	15,000.00	15,000.00
John Labatt	Apr. 21/1998	10.375	2,946,300.00	3,000,000.00	3,000,000.00
Montreal Trust	Feb. 20/1998	10.75	995,000.00	982,500.00	1,000,000.00
Norcen Energy	Dec. 19/2003	13.25	54,000.00	54,000.00	54,000.00

Schedule of Investment Transactions

Bonds, Debentures Sold	Maturity Date	Interest Rate %	Received	Initial Cost	Par Value
Nova & Alta Corp.	July 15/1993	12.125	105,870.00	99,750.00	100,000.00
Nova & Alta Corp	Feb. 15/1997	17.75	45,000.00	44,775.00	45,000.00
Pacific Northern	May 1/1997	18.00	53,000.00	53,000.00	53,000.00
Producers' Pipeline	June 30/1995	12.00	61,111.10	61,111.10	61,111.10
Roynat	July 28/1989	9.95	1,100,000.00	1,105,940.00	1,100,000.00
Stelco	Oct. 1/2000	13.50	83,000.00	83,000.00	83,000.00
Toronto-Dominion Bank	July 15/1996	16.00	40,000.00	40,000.00	40,000.00
Eaton Acceptance	Sept. 15/1999	11.00	315,000.00	235,179.00	315,000.00
Eaton Acceptance	Sept. 15/1999	11.00	685,000.00	596,292.50	685,000.00
Toronto Eaton Centre	June 1/2000	12.00	8,000.00	7,360.00	8,000.00
Toronto Eaton Centre	June 30/2000	15.00	14,000.00	14,000.00	14,000.00
TransCanada Pipelines	Dec. 20/1996	18.00	41,000.00	41,000.00	41,000.00
Union Gas	June 30/2003	13.00	54,000.00	54,000.00	54,000.00
Union Gas	Nov. 1/2002	14.25	27,000.00	27,000.00	27,000.00
West Kootenay Power	Apr. 1/1998	14.25	19,000.00	19,000.00	19,000.00
Westcoast Energy	July 15/2000	12.25	18,000.00	18,900.00	18,000.00
Western Int'l Comm.	Dec. 31/2000	8.50	711,000.00	705,000.00	600,000.00
Western Int'l Comm.	Dec. 31/2000	8.50	610,000.00	590,000.00	500,000.00
Woodward Stores	July 15/1993	9.25	474,600.00	486,300.00	500,000.00
Woolworth	Jan. 31/2003	10.00	956,556.00	722,572.00	1,020,000.00
F.W. Woolworth	Jan. 31/2003	10.00	23,445.00	25,195.00	25,000.00
F.W. Woolworth	Jan. 31/2003	10.00	468,900.00	480,400.00	500,000.00
			$40,665,640.54	$39,149,341.79	$40,014,762.04

Net increase in bonds, debentures and coupons at par value (76,220,243 – 40,014,762)	$ 36,205,481
Add: Bonds, debentures and coupons as at March 31, 1988 at par value	244,804,722
Total bonds, debentures and coupons (par value) March 31, 1989	$281,010,203
Less: Unamortized discount	4,530,094
Total bonds, debentures and coupons (at amortized cost) March 31, 1989	$276,480,109
Total bonds, debentures and coupons (at amortized cost) March 31, 1988	240,502,733
Net increase in bonds, debentures and coupons at amortized cost	$ 35,977,376

Short Term Investments	Purchased	Disposed	Net
Transactions during year	$495,078,348	$451,748,650	$43,329,698

Schedule of Investment Transactions

Insured Mortgages at Cost — Transactions During the Fiscal Year 1988-89	Interest Rate %	Principal Purchased	Principal Reduction	Net
Met. Trust — Albert Square	11.00	$	$ 25,616	$ (25,616)
Maritime Life — Forest Gardens	11.375	3,060		3,060
CanWest Trust — E & E Hauling	11.625	1,717	1,673	44
H. A. Roberts — Regina Market Mall	14.00		6,059	(6,059)
Met. Trust — Southgate Plaza	14.375	7,397		7,397
Co-op Trust — Briarview Co-op	18.75		2,750	(2,750)
Montrose Mtge. — Westfor	17.00	411	3,378	(2,967)
London Life — Nepean, Ont.	14.00		10,734	(10,734)
Met. Trust — Parkview Square	13.50		19,146	(19,146)
Montrose Mtge. — Rivergate Estates	14.13		2,598	(2,598)
Security Home Mtge. — Danand	14.25		996,607	(996,607)
Montrose Mtge. — Evergreen Place	14.50	11,140	2,279	8,861
Met. Trust — Kipling Towers	14.75		56,003	(56,003)
Met. Trust — Glendale Lodge	9.75		16,700	(16,700)
Met. Trust — Hyde Park I	13.375		43,214	(43,214)
Met. Trust — Hyde Park II	14.75		10,642	(10,642)
Montrose Mtge. — Parkway Office	11.50	640	6,408	(5,768)
Met. Trust — Lakewood Plaza	11.625		9,352	(9,352)
Met. Trust — Parkside Nursing Home	9.75		67,232	(67,232)
National Trust — Jaywell	11.25		7,376	(7,376)
Met. Trust — Eastview Square	11.25		12,047	(12,047)
Met. Trust — Gene's Ltd.	11.125		9,281	(9,281)
Met. Trust — Nova Scotia Hsg	11.125		82,679	(82,679)
Met. Trust — Desrocher Develop	10.75		10,803	(10,803)
Met. Trust — C.G. Properties	10.125		16,536	(16,536)
Canada Life — Linden Square	10.75	150,960	2,778	148,182
		$175,325	$1,421,891	$(1,246,566)

Real Estate Equity — Transactions for the Fiscal Year 1988-89	Purchased	Disposed	Net
Pension Fund Realty — Development Series I	$	$ 4,049	$ (4,049)
Great West Life — Parkview Place		18,293	(18,293)
Great West Life — Keywest	2,892	6,759	(3,867)
Winfield Realty — Victoria Industrial Place		11,804	(11,804)
High PF Mgr Services — Viking Rideau		1,605	(1,605)
Montrose — Denton Centre	43,063		43,063
Pension Fund Realty — Dynamic Drive Series		9,510	(9,510)
SaskPen — Cornwall Parkade	13,140		13,140
SaskPen — Old Royal Bank Site	169,760		169,760
	$228,855	$52,020	$176,835

Schedule of Investment Transactions

Corporate Shares at Cost — Transactions Year Ended March 31, 1989	Shares	Purchased	Disposed	Net
Air Canada	25,000	$ 304,075	$	$304,075
Alcan Aluminum Ltd. (Common)	21,450	810,492		810,492
Asamera Inc.	42,500		517,862	(517,862)
Bank of Nova Scotia (Common)	22,000		335,534	(335,534)
CAE Industries Ltd.	5,000	46,550		46,550
Canadian Pacific Ltd. (Common)	10,000	206,730		206,730
Cominco Ltd.	5,000	142,220		142,220
Connaught Biosciences	22,000	607,665		607,665
Consolidated Bathurst	5,000		41,875	(41,875)
Dofasco Ltd. (Common)	10,000	288,375		288,375
Enerplus Resources "D"	100,000	1,000,000		1,000,000
Falconbridge Ltd.	6,700	163,422		163,422
Falconbridge — Gold Corp	1,840	4,600	4,600	—
Great Lakes Investment Ltd.	59,055	140,445	3,372	137,073
Hayes-Dana Inc.	50,000		578,000	(578,000)
Hudson Bay Northern Stores	25,000	125,000		125,000
Imperial Oil Ltd.	4,500	221,360		221,360
Inco Ltd. (Common)	30,000	1,162,200	441,176	721,024
International Thomson	8,000	127,640		127,640
Investment Corp. of Sask. "A"	1,200	1,200		1,200
Investment Corp. of Sask. "B"	126,273	126,273		126,273
Lac Minerals	7,800	103,787		103,787
Laidlaw "B"	22,100	383,755		383,755
MacLean Hunter "X"	9,000	120,712		120,712
MacMillan Bloedel	16,500	306,718		306,718
Moffatt Communications	64,000		981,530	(981,530)
Noranda Mines	10,900	248,498		248,498
Nova Corp "A"	24,000	345,888		345,888
Oshawa Group Limited	8,000	192,560		192,560
Placer Dome	16,700	265,263		265,263
Royal Bank of Canada	14,000	526,176		526,176
Scott's Hospitality	7,000	107,933		107,933
Selkirk Communications	3,600		96,606	(96,606)
Shell Canada "A"	500	20,162		20,162
Synergistics Ind. Ltd.	68,000		530,400	(530,400)
TCC Beverages	2,475		21,037	(21,037)
Teck Corp "B"	20,100	399,648		399,648
Teck (Conv PFD)	1,600		202,400	(202,400)
Texaco Canada	19,000		657,400	(657,400)
Texaco Petroleum	19,881	32,162	30,400	1,762
Thomson Newspapers	6,000	164,813		164,813
Torstar Corp.	12,000	369,894		369,894
Kemper Corp.	50,000		2,055,375	(2,055,375)
Newmont Mining Corp.	20,000		924,227	(924,227)
Proctor & Gamble	20,000		2,037,728	(2,037,728)
Coastal Corp.	30,000		1,112,888	(1,112,888)
		$9,066,216	$10,572,410	$(1,506,194)

Schedule of Investment Transactions

Summary of Investment Transactions (At Cost)	1988-89	1987-88
Bonds, Debentures and Coupons (at amortized cost)	$ 35,977,376	$ 62,469,928
Insured Mortgages	(1,246,566)	(2,092,143)
Corporate Shares	(1,506,194)	(1,685,442)
Real Estate Equity	176,835	1,915,422
Short Term	43,329,698	8,833,974
Total Investment Transactions — Net Increase	$ 76,731,149	$ 69,441,739
Investments Beginning of Fiscal Year (At Cost)	419,993,469	350,551,730
	$496,724,618	$419,993,469

Public Employees (Government Contributory) Superannuation Plan Supervisory Board

Public Employees (Government Contributory) Superannuation Fund

Financial Statements

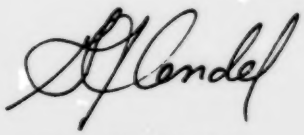
For the Year Ended March 31, 1989

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of financial position of the Public Employees (Government Contributory) Superannuation Fund as at March 31, 1989, and the statements of changes in members' accumulated balances and changes in unallocated fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
April 24, 1990

G. F. Wendel, C.A.
A/Provincial Auditor

Statement 1

Public Employees (Government Contributory) Superannuation Plan Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Statement of Financial Position

As at March 31

	1989	1988
Assets		
Cash	$ —	$ 928,585
Contributions and transfers receivable	1,737,110	1,025,559
Accounts receivable — Public Employees (Government Contributory) Annuity Fund	—	67,288
Accrued investment income	11,205,744	8,554,989
Investments (Note 3)	496,724,618	419,993,469
Unamortized (gain)/loss on investments sold (net)	(9,199,885)	(8,846,907)
	$500,467,587	$421,722,983
Liabilities and Fund Balance		
Liabilities:		
Revolving Fund Expenses Payable	$ 124,275	$ —
Bank indebtedness, including outstanding cheques	181,308	—
Refunds, transfers and other payables	2,225,271	1,242,568
Deferred revenue	20,800	21,800
Members' accumulated balances (Statement 2) (Note 4)	497,862,276	420,362,622
	$500,413,930	$421,626,990
Fund Balance:		
Unallocated members' fund balance (Statement 3)	$ 53,657	$ 95,993
	$500,467,587	$421,722,983

(See accompanying notes)

Statement 2

Public Employees (Government Contributory) Superannuation Plan Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Statement of Changes in Members' Accumulated Balances

Year Ended March 31

	1989	1988
Members' accumulated balances, beginning of year	$420,362,622	$347,268,747
Add:		
Employee and employer current contributions	42,560,464	[illegible]2,852
Reciprocal transfers in	1,063,082	1,214,194
Earnings allocated to members (Statement 3)	45,558,022	39,738,275
	509,544,190	427,124,068
Deduct:		
Termination refunds	903,218	885,653
Lump sum retirement benefits	408	707
Death benefits	862,092	298,473
Transfers to Public Employees (Government Contributory) Annuity Fund	2,573,274	1,789,732
Reciprocal transfers out	1,618,307	1,638,865
Annuity contract purchases — private	5,724,615	2,148,016
	11,681,914	6,761,446
Members' accumulated balances, end of year	$497,862,276	$420,362,622

(See accompanying notes)

Statement 3

Public Employees (Government Contributory) Superannuation Plan Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Statement of Changes in Unallocated Fund Balance

Year Ended March 31

	1989	1988
Unallocated fund balance, beginning of year	$ 95,993	$ 660,169
Add:		
Interest on final payment from Public Employees (Government Contributory) Annuity Fund	—	5,550
Investment earnings	46,006,266	39,168,549
	46,102,259	39,834,268
Deduct:		
Allocation of earnings to:		
— Members' accumulated balances (Statement 2)	45,558,022	39,738,275
— Revolving fund expense (Note 5)	490,580	—
	46,048,602	39,738,275
Unallocated fund balance, end of year (Statement 1)	$ 53,657	$ 95,993

(See accompanying notes)

Public Employees (Government Contributory) Superannuation Plan Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Notes to Financial Statements

March 31, 1989

1. Description of Plan

The Superannuation (Supplementary Provisions) Act established the Public Employees (Government Contributory) Superannuation Plan effective October 1, 1977. Specified contributions and interest earnings thereon are accumulated for each contributor in the fund for the ultimate purpose of providing for a guaranteed life annuity for the contributor at the time of retirement.

Upon retirement from the Public Employees (Government Contributory) Superannuation Plan, an employee may elect to receive an annuity from the Supervisory Board or from a private annuity underwriter. On March 31, 1986 all annuity underwriting activities administered by the Board were transferred to the Public Employees (Government Contributory) Annuity Fund.

2. Significant Accounting Policies

a) **Investments**
The Fund records all investment transactions at cost.

Premiums and discounts on the acquisition of bonds, debentures and coupons are amortized to earnings over the term of the security.

Gains or losses on the disposal of fixed income securities are deferred and amortized over the remaining term of the security sold.

b) **Reciprocal Transfers**
Reciprocal agreements have been signed with other pension plans, setting forth conditions and procedures for the transfer of an individual's accumulated contributions and earnings to or from another pension plan following a change in employment. Such transfers into (out of) the Fund are recorded as receivable (payable) at the date on which an authorization for the transfer of funds is signed by the employee, provided that information is available to allow calculation of the amount to be transferred.

c) **Annuity Underwriting Operations**
For those members who have elected to have their retirement annuities provided by the plan, the members' accumulated balances at the date of retirement are transferred to the annuity underwriting operations of the Public Employees (Government Contributory) Annuity Fund.

3. Investments

	1989		1988	
	Cost	Market Value	Cost	Market Value
Bonds and debentures, at par value:				
Government of Canada	$ 46,089,000	$ 46,236,951	$ 20,600,000	$ 21,783,000
Province of Saskatchewan	36,775,000	35,268,688	40,775,000	41,029,962
Other provinces and provincial guaranteed	67,071,000	63,518,795	45,749,000	44,223,137
Corporate	121,577,203	117,673,709	128,182,722	130,087,150
Municipal	9,498,000	10,005,723	9,498,000	10,622,134
Total bonds and debentures at par value	281,010,203		244,804,722	
Less unamortized discounts	4,530,094		4,301,989	
Total bonds and debentures at amortized cost	276,480,109	272,703,866	240,502,733	247,745,383
Mortgages	19,237,684	19,181,724	20,484,250	21,028,282
Corporate shares	48,201,832	54,227,725	49,708,027	49,325,709
Short term investments	137,699,419	137,699,419	94,369,721	94,369,721
	481,619,044	$483,812,734	405,064,731	$412,469,095
Real estate equities	15,105,574	*	14,928,738	*
Total investments	$496,724,618		$419,993,469	

*No independent valuation of the real estate equities has been conducted as at March 31, 1989. As a result, market value has not been included in this schedule.

4. Members' Accumulated Balances

This item represents the aggregate of employer and employee contributions together with proportionate earnings of the Fund as allocated at each fiscal year-end. Proportionate earnings are also allocated during the year in respect of termination refunds and other benefits based on the rate prevailing at the previous fiscal year-end.

An amendment to the Superannuation (Supplementary Provisions) Act established revised vesting provisions for the Plan for contributors who commenced employment on or after August 1, 1982. For these persons, all contributions and earnings thereon will be permanently vested and locked in when the contributor reaches age 25 with one year of service, or at the completion of one year of service if over the age of 25 years at commencement of employment. For persons who commenced employment prior to August 1, 1982, all contributions and earnings thereon will continue to be permanently vested and locked in upon completion of three years' participation in the Plan.

The approximate portion of the accumulated balances which is vested at the respective fiscal year ends is summarized below:

	1989	1988
	(000's)	(000's)
Amount vested	$489,936	$413,175
Amount not vested	7,926	7,188
Total members' accumulated balances	$497,862	$420,363

5. a) **Administration Costs**

On June 28, 1988 subsection 39(4) of The Superannuation (Supplementary Provisions) Act was amended through the passing of The Department of Revenue and Financial Services Consequential Amendment Act, 1988. The amendment, which is retroactive to April 1, 1988, establishes that sums required for the purpose of administering The Public Employees (Government Contributory) Superannuation Fund shall be a charge on and paid out of that Fund. The annual operating expenditures associated with the Fund's administration are paid to the Public Employees Benefits Agency Revolving Fund.

b) **Investment Administration and Management Fees**

Further revisions to The Superannuation (Supplementary Provisions) Act occurred on December 1, 1988 with the proclamation of The Investment Provisions Amendment Act.

An amendment to section 45 authorizes the Board to enter into any agreement or engage any services considered necessary for the purpose of managing, investing or disposing of all or any assets of the Funds. Furthermore, the costs incurred pursuant to the managing, investing or disposing of the assets are payable out of The Public Employees (Government Contributory) Superannuation Fund.

In June, 1988 the Supervisory Board approved the purchase of 1,200 class A and 126,273 class B shares in The Investment Corporation of Saskatchewan. The Investment Corporation of Saskatchewan was incorporated on June 2, 1988. Broadly stated, the powers of the Corporation are to conduct the business of investment management for any type of incorporated or unincorporated entity, including any fund. The Investment Corporation of Saskatchewan provides investment management services to its shareholders and simultaneously charges investment management fees for its services. The Investment Corporation of Saskatchewan commenced business operations on December 1, 1988 and commenced charging the Public Employees (Government Contributory) Superannuation Fund for its services from that date. These charges are part of the administration costs of the Public Employees (Government Contributory) Superannuation Fund which are paid to the Public Employees Benefits Agency Revolving Fund.

Public Employees (Government Contributory) Superannuation Plan Supervisory Board

Public Employees (Government Contributory) Annuity Fund

Financial Statements

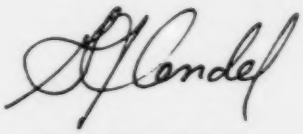
For the Year Ended March 31, 1989

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of financial position of the Public Employees (Government Contributory) Annuity Fund as at March 31, 1989 and the statement of annuity fund operations for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
April 12, 1990

G. F. Wendel, C.A.
A/Provincial Auditor

Statement 1

Public Employees (Government Contributory) Superannuation Plan Supervisory Board
Public Employees (Government Contributory) Annuity Fund
Statement of Financial Position

As at March 31

	1989	1988
Assets		
Cash	$ —	$ 163,834
Members' accumulated contributions receivable	221,620	84,749
Accounts receivable — other	95	—
Accrued investment income	223,293	159,779
Investments (Note 3)	7,580,406	5,215,275
	$8,025,414	$5,623,637
Liabilities and Deficit		
Liabilities:		
Accounts payable — Public Employees (Government Contributory) Superannuation Fund	$ —	$ 67,288
Administration costs payable (Note 5)	2,692	—
Bank indebtedness, including outstanding cheques	1,283	—
Accumulated provision for annuities payable (Note 4)	8,529,840	5,815,297
	8,533,815	5,882,585
Fund Deficit (Statement 2)	(508,401)	(258,948)
	$8,025,414	$5,623,637

(See accompanying notes)

Statement 2

Public Employees (Government Contributory) Superannuation Plan Supervisory Board
Public Employees (Government Contributory) Annuity Fund
Statement of Annuity Fund Operations

Year Ended March 31

	1989	1988
Revenues:		
Transfer of accumulated balances of members electing to have retirement annuities underwritten by the Plan	$2,573,275	$1,789,732
Investment income	686,579	460,387
Total Revenue	$3,259,854	$2,250,119
Expenses:		
Annuities paid	771,221	538,973
Administration costs	23,543	—
Change in accumulated provision for annuities payable (Note 4)	2,714,543	1,827,191
Total Expenses	$3,509,307	$2,366,164
Net (Loss) Income	(249,453)	(116,045)
(Fund Deficit)/Fund Surplus — beginning of year	(258,948)	(142,903)
Fund Deficit — end of the year (Statement 1)	$ (508,401)	$ (258,948)

(See accompanying notes)

Public Employees (Government Contributory) Superannuation Plan Supervisory Board
Public Employees (Government Contributory) Annuity Fund
Notes to Financial Statements

March 31, 1989

1. Significant Accounting Policies

a) **Basis of Accounting**

The accounts are maintained on an accrual basis of accounting.

b) **Accumulated Provision for Annuities Payable**

The accumulated provision for annuities payable represents the present value of the annuities underwritten by the Public Employees (Government Contributory) Superannuation Plan and is determined pursuant to an actuarial valuation. Any resulting change in the liability pursuant to the valuation is recognized as a revenue or expense item in that year's operations.

c) **Investments**

Investments are recorded at cost. Premiums and discounts on the acquisition of bonds and debentures are amortized to earnings over the term of the security. Gains or losses realized upon the sale of investments are recognized in the period of disposition.

2. Description of Fund

The Public Employees (Government Contributory) Superannuation Plan Supervisory Board is established under Section 39 of the Superannuation (Supplementary Provisions) Act to administer the Public Employees (Government Contributory) Superannuation Plan.

The Public Employees (Government Contributory) Annuity Fund (Annuity Fund) was established under provisions of an amendment to the Superannuation (Supplementary Provisions) Act, assented to on June 19, 1985. Annuity activities of the Supervisory Board were conducted through the Public Employees (Government Contributory) Superannuation Fund (PESF) until March 31, 1986 when assets were transferred to the Annuity Fund to allow for the separate administration of annuity activities. Accordingly, the results of all annuity underwriting activities for the year ended March 31, 1986 and prior years of the Public Employees (Government Contributory) Superannuation Plan are presented in the financial statements of the Public Employees (Government Contributory) Superannuation Fund.

The Annuity Fund was established to create a separate fund for the annuity underwriting operations administered by the Supervisory Board of the Public Employees (Government Contributory) Superannuation Plan. Upon retirement from the Public Employees (Government Contributory) Superannuation Plan, an employee may elect to receive an annuity from the Supervisory Board or from a private annuity underwriter. Annuity payments are provided by the amount standing to the employee's credit in the Public Employees (Government Contributory) Superannuation Fund at the date of retirement. Transfers into the Annuity Fund are from those employees who have elected to receive an annuity from the Supervisory Board. Annuity payments out of the Fund are determined and administered in accordance with regulations issued pursuant to subsection 44(1) of The Superannuation (Supplementary Provisions) Act.

3. Investments

	1989		1988	
	Cost	Market Value	Cost	Market Value
Bonds and debentures, at par value:				
Province of Saskatchewan	$ 250,000	$ 224,375	$ 250,000	$ 246,875
Corporate	4,145,294	3,988,531	3,646,680	3,598,324
Total bonds and debentures at par value	4,395,294	4,212,906	3,896,680	3,845,199
Less unamortized discounts	5,027		5,335	
Total bonds and debentures at amortized cost	4,390,267		3,891,345	
Short term investments	3,190,139	3,190,139	1,323,930	1,323,930
Total investments	$7,580,406	$7,403,045	$5,215,275	$5,169,129

4. Accumulated Provision for Annuities Payable

As discussed in Note 1, the accumulated provision for annuities payable represents the present value of the annuities underwritten by the Public Employees (Government Contributory) Superannuation Plan and is determined pursuant to an actuarial valuation. Any resulting change in the liability pursuant to the valuation is recognized as a revenue or expense item in that year's operations.

An actuarial valuation of the Public Employees (Government Contributory) Annuity Fund was performed as at March 31, 1989. The actuarial valuation was based on a number of assumptions about future events such as interest rates and mortality. The interest rate assumptions used reflect management's best estimate of the expected long term rate of return on the Annuity Fund's assets. The consulting actuaries estimated the present value for annuities payable, at the valuation date to be $8,529,840.

5. Related Party Transactions

(a) Administration Costs

On June 28, 1988, subsection 43.1 of The Superannuation (Supplementary Provisions) Act was amended through the passing of The Department of Revenue and Financial Services Consequential Amendment Act, 1988. The amendment, which is retroactive to April 1, 1988 establishes that sums required for the administration of The Public Employees (Government Contributory) Annuity Fund shall be a charge on and paid out of that Fund. The annual operating expenditures for the 1988-89 year associated with the

Fund's administration are paid to the Public Employees Benefits Agency Revolving Fund.

(b) Investment Administration and Management Fees

Further revisions to The Superannuation (Supplementary Provisions) Act occurred on December 1, 1988 with the proclamation of The Investment Provisions Amendment Act.

An amendment to section 45 authorizes the Board to enter into any agreement or engage any services considered necessary for the purpose of managing, investing or disposing of all or any assets of the Funds. Furthermore, the costs incurred pursuant to the managing, investing or disposing of the assets are payable out of The Public Employees (Government Contributory) Superannuation Fund.

In June, 1988 the Supervisory Board approved the purchse of 1,200 class A and 126,273 class B shares in The Investment Corporation of Saskatchewan. The unanimous shareholders agreement states that The Public Employees (Government Contributory) Annuity Fund is entitled to shares jointly with The Public Employees (Government Contributory) Superannuation Fund. The shares are currently registered and held by The Public Employees (Government Contributory) Superannuation Fund.

The Investment Corporation of Saskatchewan was incorporated on June 2, 1988. Broadly stated, the powers of the Corporation are to conduct the business of investment management for any type of incorporated or unincorporated entity, including any fund. The Investment Corporation of Saskatchewan provides investment management services to its shareholders and simultaneously charges investment management fees for its services. The Investment Corporation of Saskatchewan commenced business operations on December 1, 1988 and commenced charging The Public Employees (Government Contributory) Superannuation Fund as registered shareholder for its services from that date. The Annuity Fund is not charged for its share of these expenditures.